

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

September 28, 1988

RECEIVED
SEP 30 1988

DIVISION OF
OIL, GAS & MINING

State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Ron Firth, Associate Director
Division of Oil, Gas & Mining

Dear Ron:


Enclosed for your approval is an APD for our Quinoco State No. 32-9 well (in triplicate). We hope to drill this well in late October, so your expedient approval is appreciated.

We are hereby requesting administrative approval for a topographic exception location. The well is located 455' from the drilling unit boundary. As you can see from our Map No. 1 and Plat No. 2, we had to move north to keep the well from being located in the county road.

Should you have any questions or comments, please feel free to call.

Yours very truly,

LONE MOUNTAIN PRODUCTION COMPANY



James G. Routson

JGR/lw

Enclosures

xc/Larry Becker

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on
reverse side)

RECEIVED
SEP 30 1988
DIVISION OF
OIL, GAS & MINING

5. Lease Designation and Serial No.

ML-31281

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☐Gas Well ☒

Other

H7210

Single
ZonesMultiple
Zones ☐

2. Name of Operator

Lone Mountain Production Company

3. Address of Operator

P. O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

2185' FSL, 855' FEL - Section 32

At proposed prod. zone

same

7. Unit Agreement Name

None

8. Farm or Lease Name

State

9. Well No.

32-9 State

10. Field and Pool, or Wildcat

Undesignated San Arroyo (250)

11. Sec., T., R., M., or Blk.
and Survey or Area

NE 1/4 SE 1/4 Sec. 32: T16S-R26E

14. Distance in miles and direction from nearest town or post office*

15 miles northwest of Mack, Colorado

12. County or Parrish

Grand

13. State

Utah

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

455'

16. No. of acres in lease

640

17. No. of acres assigned
to this well

160

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

2054'

19. Proposed depth

4000' Morrison

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

5395' FL, 5406' KB

22. Approx. date work will start*

November 1, 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	8-5/8" used	24# H-40STC	300'	200 sacks Class "G" to surf.
7-7/8"	4-1/2" used	10.5# J-55 STC	4000'	175 sacks RFC

1. Surface formation is the Mancos.

2. Anticipated geologic markers are: Dakota Silt-3496'; Dakota Sand-3584'; Morrison-3732'.

3. Gas is anticipated in the Dakota and Morrison. No oil or other minerals are anticipated. No water sands are expected.

4. Proposed casing program: See Item No. 23 above.

5. Pressure control equipment: See attached well control plan and schematic of drilling contractor's BOP stack. BOP's will be tested before drilling out from under surface casing and checked daily.

6. Air or mist drilling will be used to drill the surface hole unless water is encountered. If water is encountered, chemical-gel type mud will be used. The well will be air drilled from under surface casing to total depth.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

James D. Rantson
James G. Rantson

Title

Petroleum Engineer

Date

September 28, 1988

(This space for Federal or State office use)

Permit No.

43-019-31282

Approval Date

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

Approved by

Title

Conditions of approval, if any:

DATE: 10-26-88

BY: John R. Bayne

WELL SPACING: Cause No. 13-6

*See Instructions On Reverse Side

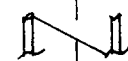
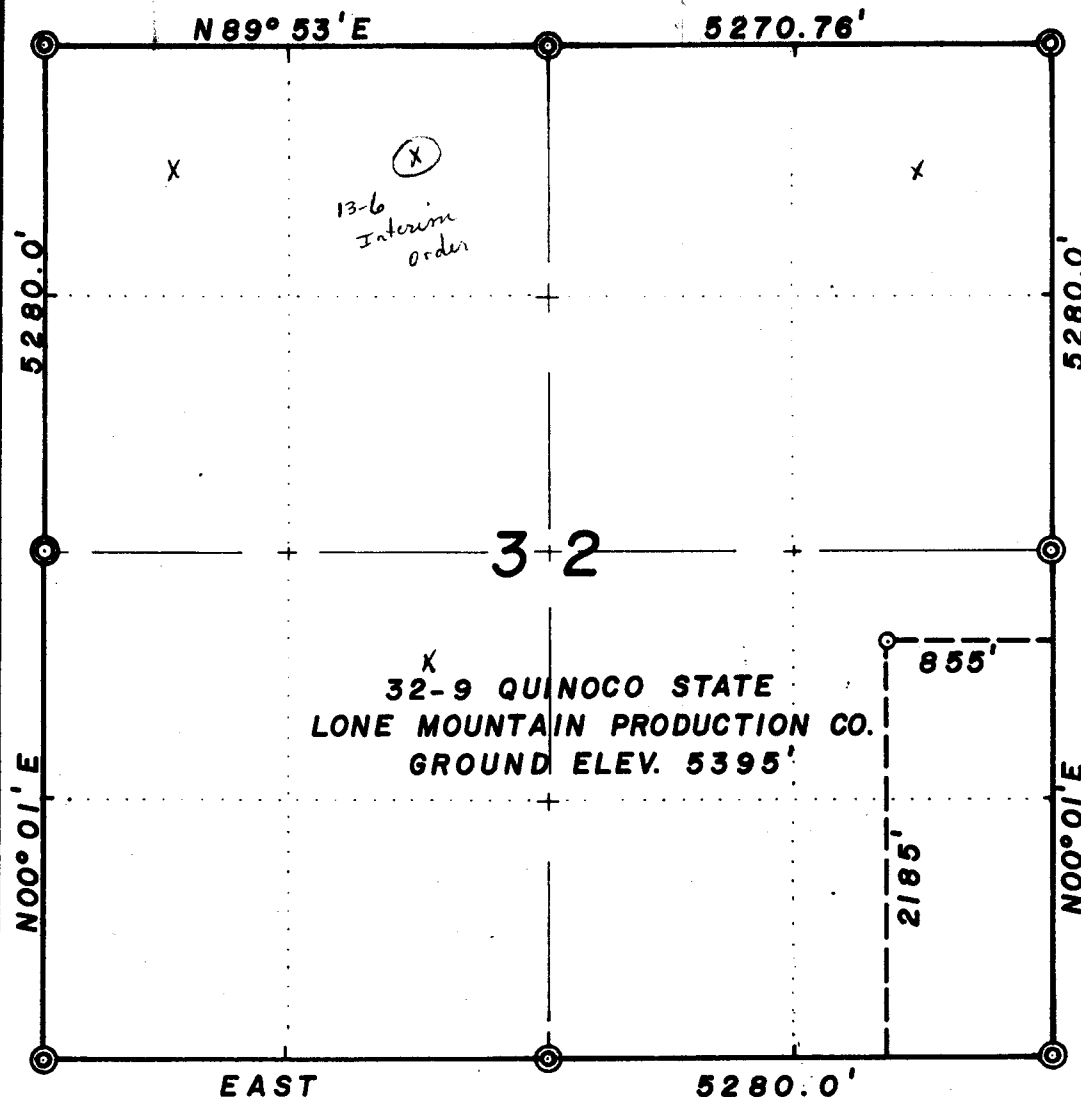
Application for Permit to Drill, Deepen, or Plug Back
No. 32-9 Quinoco State
NE¼ SE¼ Section 32: T16S-R26E
Grand County, Utah
Lease ML-31281

Page 2.

7. Auxiliary equipment: See well control plan.
8. The logging program will consist of a DIL log from TD to base of surface casing, and GR-FDC-CNL logs from TD to 500' above the Dakota Silt. No cores or DST's are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is November 1, 1988. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is dedicated to Natural Gas Pipeline Company of America.

SEC. 32, T. 16 S., R. 26 E. OF THE S.L.B.M.

LOCATION PLAT



SCALE



LEGEND

● STANDARD LOCATION OF GLO SECTION CORNERS

● GLO CORNERS FOUND

○ WELL LOCATION STAKED.

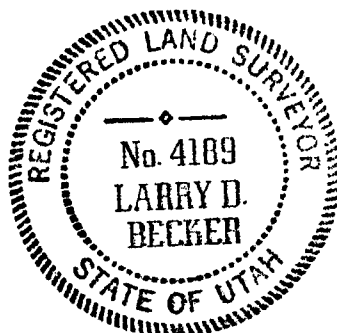
REFERENCE DOCUMENTS

1926 GLO PLAT

JIM CANYON

QUADRANGLE, USGS

THIS WELL LOCATION PLAT WAS PREPARED FOR LONE MOUNTAIN PRODUCTION TO LOCATE THE 32-9 QUINOCO STATE, 855' F.E. L. & 2185' F.S. L. IN THE NE 1/4 SE 1/4, OF SECTION 32, T. 16 S., R. 26 E OF THE S.L. B.M. GRAND COUNTY, UTAH



SURVEYOR'S CERTIFICATE

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT REPRESENTS SAID SURVEY.

Larry D. Becker

SURVEYED	9-18-88 L.D.B.
DRAWN	9-21-88 A.D.H.
CHECKED	

ENERGY
SURVEYS &
ENGINEERING CORP.

715 HORIZON DRIVE, SUITE 330
GRAND JUNCTION, CO 81501
(303) 245-7221

SCALE 1" = 1000'

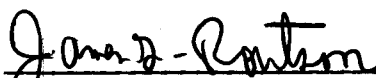
JOB NO.

SHEET 01

WELL CONTROL PLAN

1. Surface Casing: 8-5/8" O.D., 24#/ft., Grade H-40, ST&C, set at 300' or deeper, cemented with pump and plug method back to the surface or bottom of cellar.
2. Casinghead Flange: 8-5/8" x 8" = 900 Series casinghead with two 2" 2000 psi L.P. Outlets.
3. Intermediate Casing: None.
4. Blowout Preventor: An 8" 3000 psig W.P. double gat hydraulic shaffer BOP (or equivalent) with drill pipe rams and blind rams. All fill, kill and choke lines will be minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 1000 psi prior to drilling shoe joint on surface casing.
5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on floor.
6. Anticipated bottom hole pressure is less than 1000 psi at 3600' or a gradient of .277 psi/ft. or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY



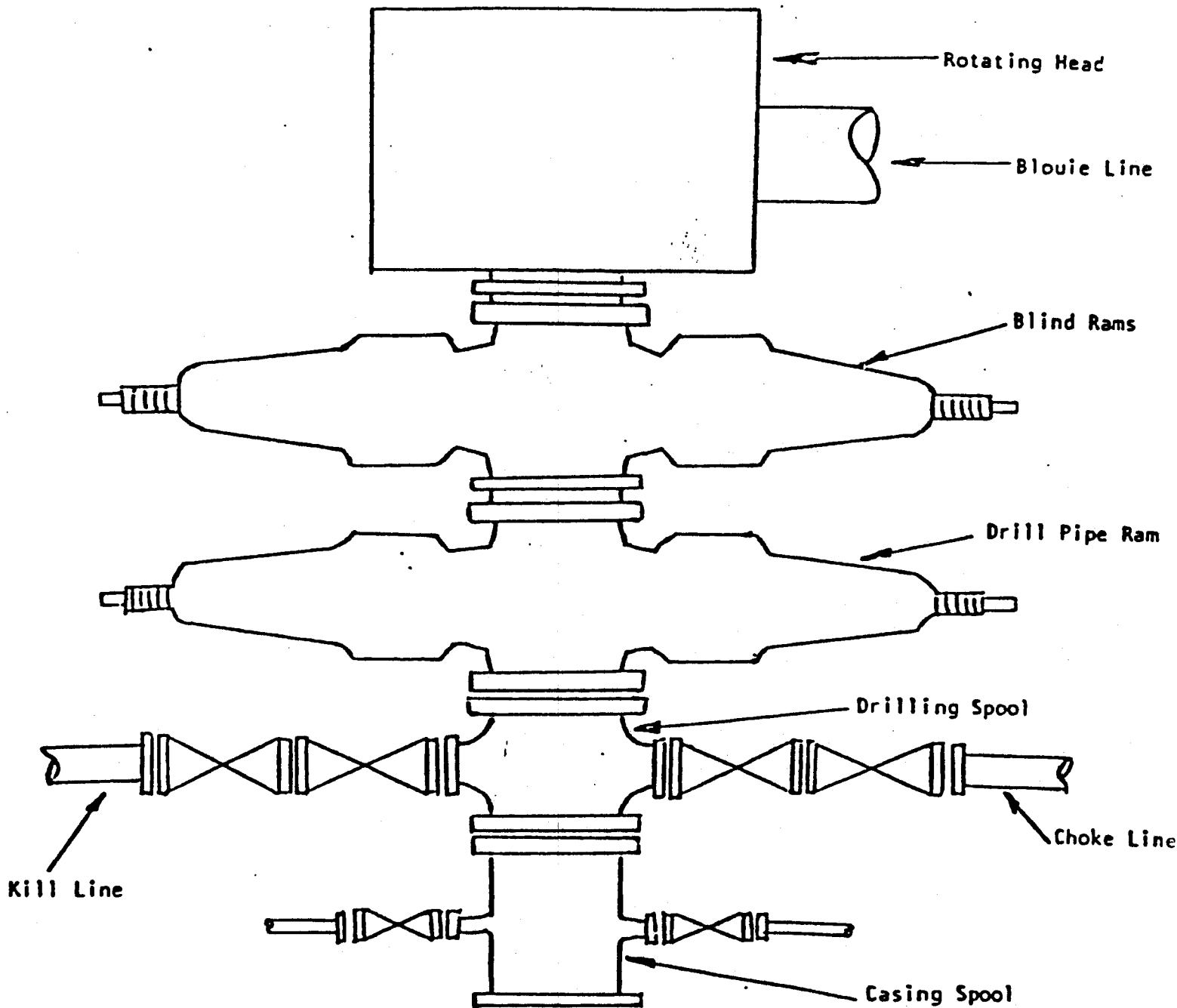
James G. Routson
Petroleum Engineer

Quinoco State No. 32-9

SCHEMATIC OF BOP STACK

Air drilled wells using 900 series wellhead equipment.

Interval from 300' to total depth.



SURFACE USE PROGRAM

Lone Mountain Production Company
Quinoco State No. 32-9
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 16: T16S-R26E, S.L.M.
Grand County, Utah

1. EXISTING ROADS

See Map No.'s 1 & 2: This proposed well is located approximately 15 air miles northwest of Mack, Colorado. It is reached by going west of Mack on Old Highway 6&50 8.8 miles west to 2 road. Turn right and go 4.1 miles to the state line fence. Turn right on the state line fence road and go 6.9 miles north to the location. All of the existing roads used for access are county roads. Lone Mountain will share maintenance on those gravel/dirt roads with Grand County and the other oil and gas operators in the area. The existing roads are colored green on the reference maps.

2. ACCESS ROADS TO BE CONSTRUCTED AND RECONSTRUCTED

The location is adjacent to an existing road. No new access roads are necessary.

3. LOCATION OF EXISTING WELLS

See Map 3. There are 5 producing wells and 1 abandoned well within one mile of the proposed well.

4. LOCATION OF PRODUCTION FACILITIES

a) On Well Pad. See Plat 4. (Paint everything dark green).

5. LOCATION AND TYPE OF WATER SUPPLY

The water source for this well is West Salt Creek in Colorado. The pickup point is on Old Highway 6&50 about 2.5 miles west of Mack, Colorado. The water will be hauled over the existing access roads.

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be used other than native materials. Soil from cuts will be used in fills. No outside material will be brought in.

7. METHODS FOR HANDLING WASTE DISPOSAL

Cuttings will be buried in the reserve pit at clean up. Garbage and other waste material will be contained in a trash cage. This cage will be dumped at an approved sanitary landfill. Human

waste will be disposed of in chemically treated sanitary pits.

Drilling fluids will be contained in the reserve pit and left to evaporate. Any fluids produced during testing operations will be collected in a test tank. If a test tank is not available, the fluids will be contained in the reserve pit. Any spills of oil, gas, salt water or noxious fluid will be cleaned up and removed.

If the well is productive, produced water will be disposed of on site for 30 days only, or 90 days with the permission of the State Petroleum Engineer. After that time, application will be made for approval of permanent disposal method in compliance with the rules and regulations of the State of Utah.

8. ANCILLARY FACILITIES

No ancillary facilities are planned.

9. WELLSITE LAYOUT

See Plat #2 - Pit and Pad Layout

See Plat #2A - Cross-Sections of Pit & Pad

See Plat #3 - Typical Rig Layout

The location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and fracturing equipment.

The location construction will begin by stripping and stockpiling all available (4-6") topsoil. The stockpile will be along the northwest side of the location.

The reserve pit will be constructed along the west side of the well pad.

10. PLANS FOR RECLAMATION OF THE SURFACE

If the well is productive, the reserve pit will be allowed to dry and then backfilled. All of the area not necessary for production will be resloped, covered with available topsoil and revegetated using a seed formula agreed to by the surface owner.

If the well is abandoned, the entire area of disturbance will be returned to a reasonable contour approximating the topography of the surrounding area. The topsoil will be distributed over the recontoured area and revegetated using the appropriate seed formula.

Clean-up will begin after completion rig release and resloping should begin by the fall of 1988.

11. SURFACE OWNERSHIP

All lands involving new construction are private surface owned by Mrs. Evelyn Horn. Lone Mountain Production Company is negotiating an agreement with Mrs. Horn for such use. No work will be commenced until said agreement is in effect.

12. OTHER INFORMATION

The vegetation is sparse and includes juniper, sagebrush, western wheatgrass, Indian rice grass and a few annual plants.

An archaeological survey is being done by Grand River Institute.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

James G. Routson,
Lone Mountain Production Company

P. O. Box 3394
Billings, MT 59103
Home Phone: (406) 245-8797
Office Phone: (406) 245-5077

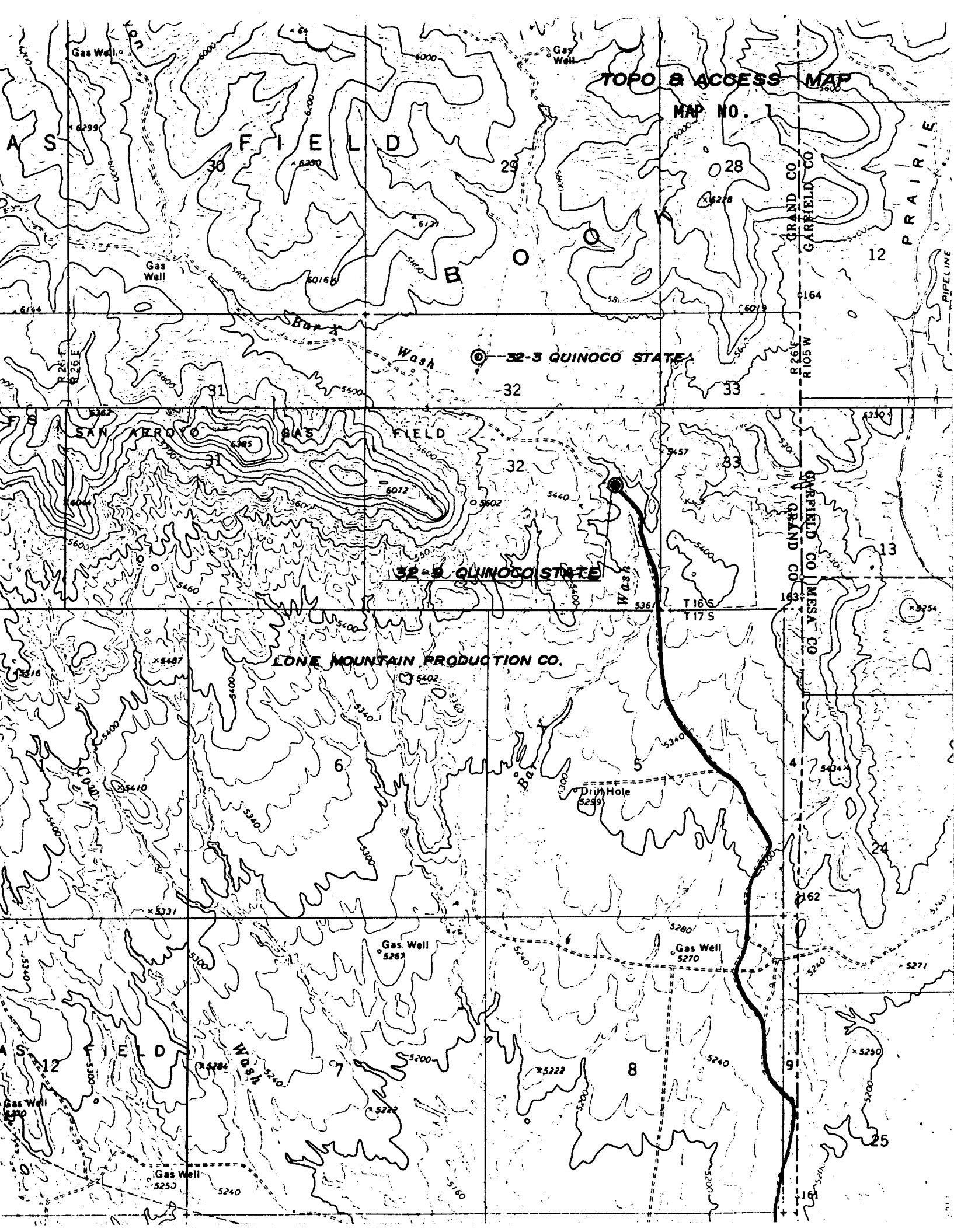
Larry D. Becker,
Field Consultant

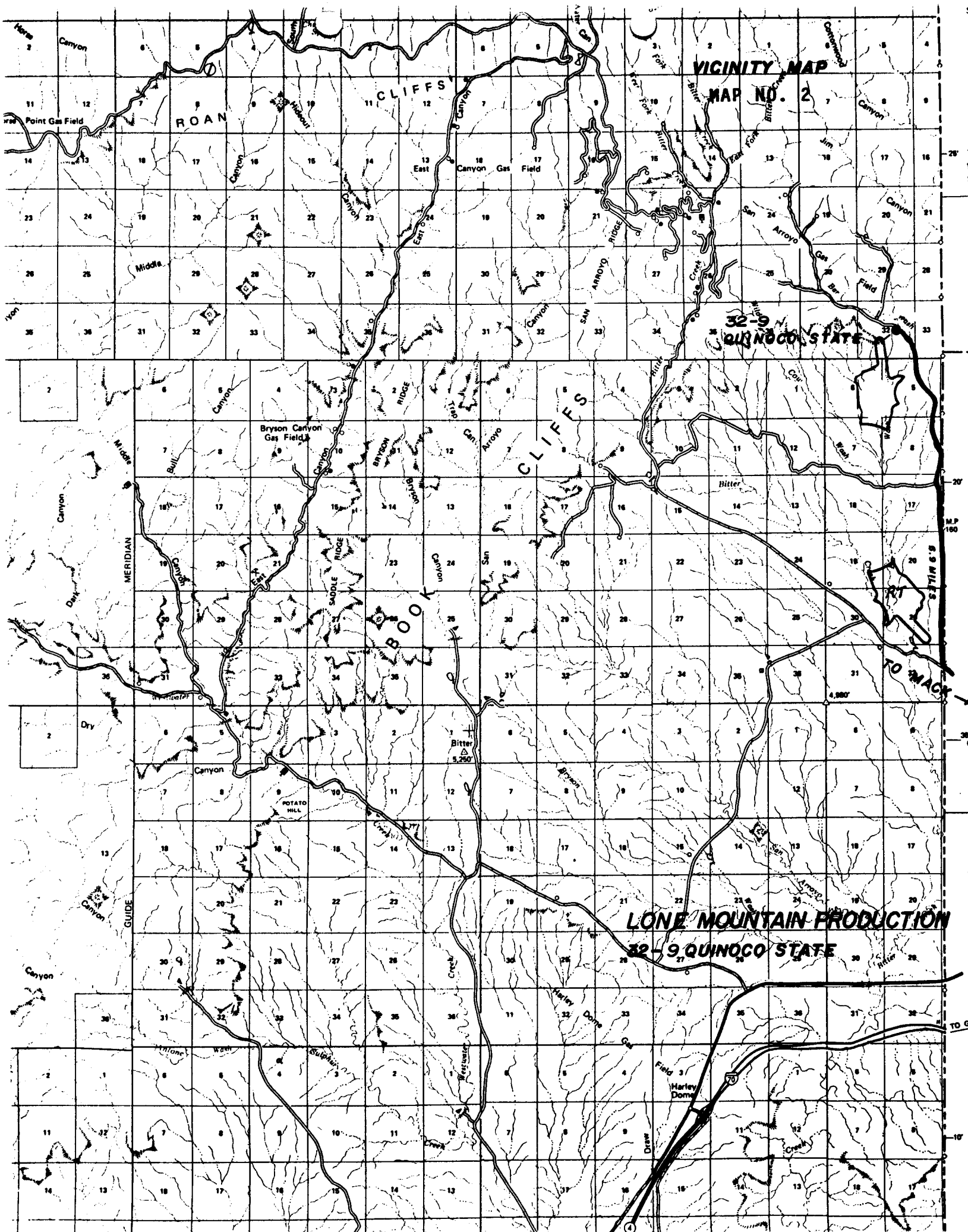
739 27 Road
Grand Junction, CO 81506
Phone: (303) 245-7221

I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

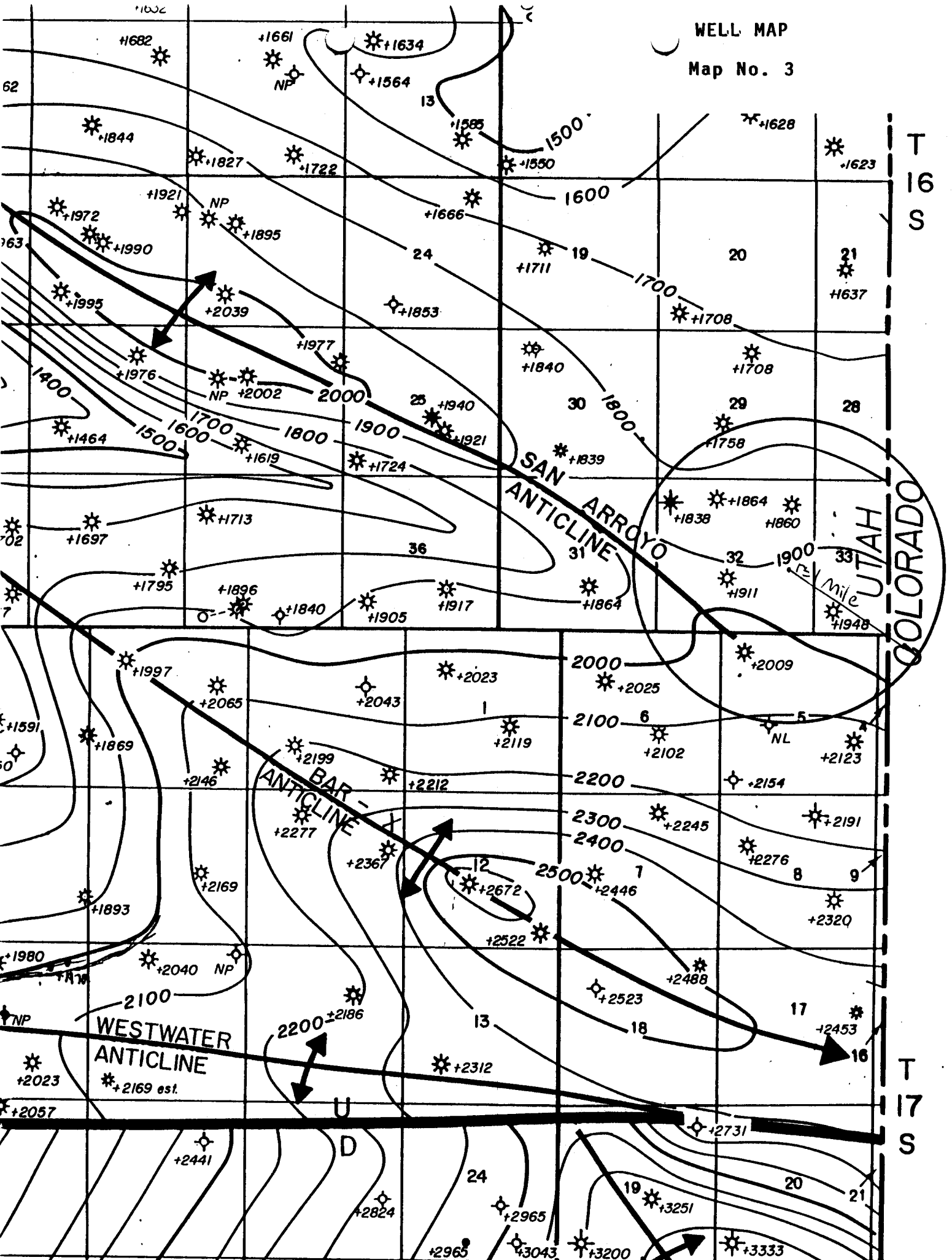
Sept-28, 1988
(Date)

James G. Routson
James G. Routson

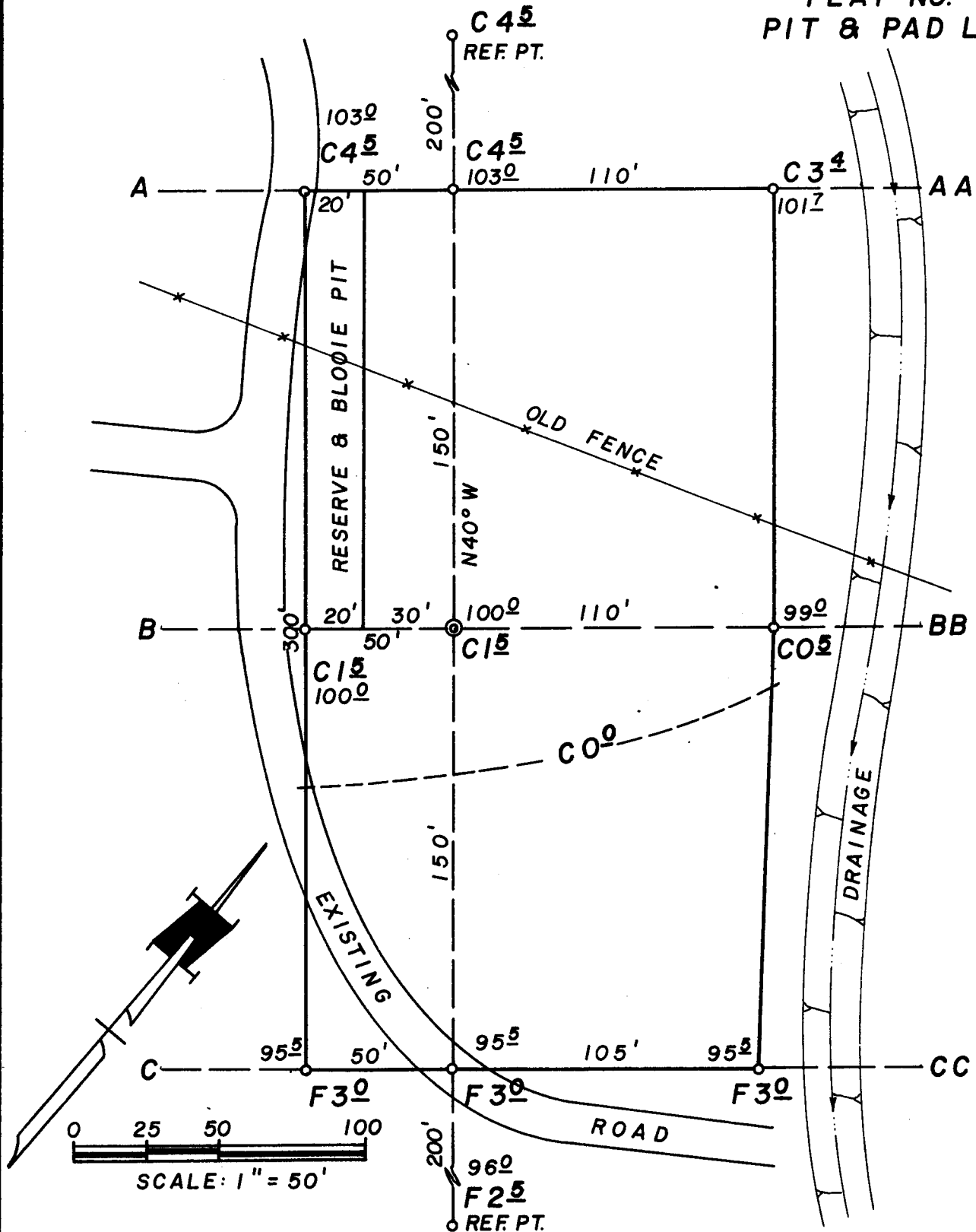




WELL MAP
Map No. 3



PLAT NO. 2
PIT & PAD LAYOUT



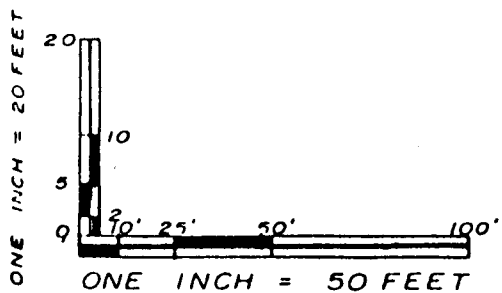
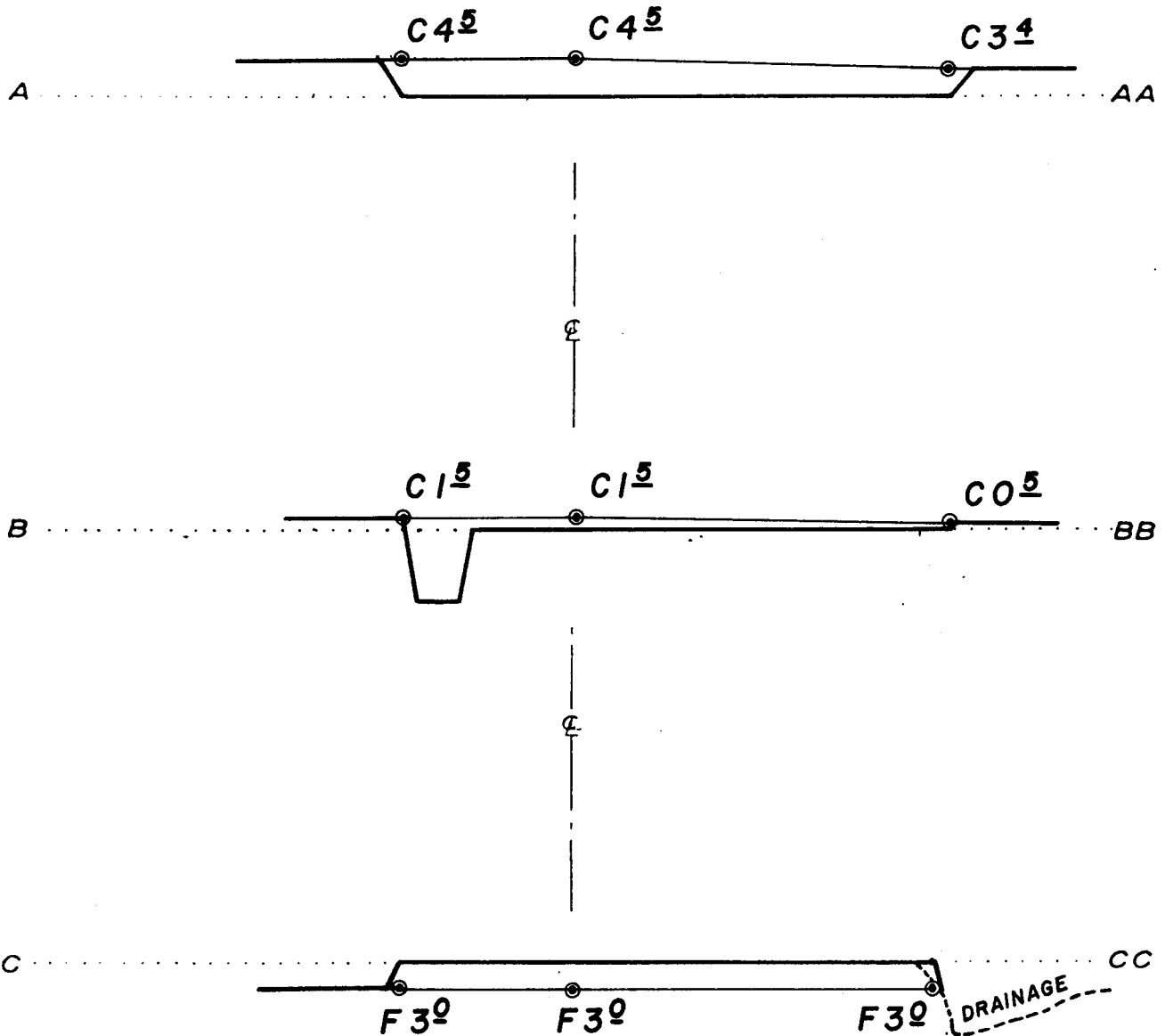
ESTIMATED DIRT QUANTITIES

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	2700	1000	1800	
PIT	900			800

ENERGY SURVEYS & ENGINEERING
GRAND JUNCTION, COLORADO 303-245-7221

32-9 QUINOCO STATE
LONE MOUNTAIN PRODUCTION CO.

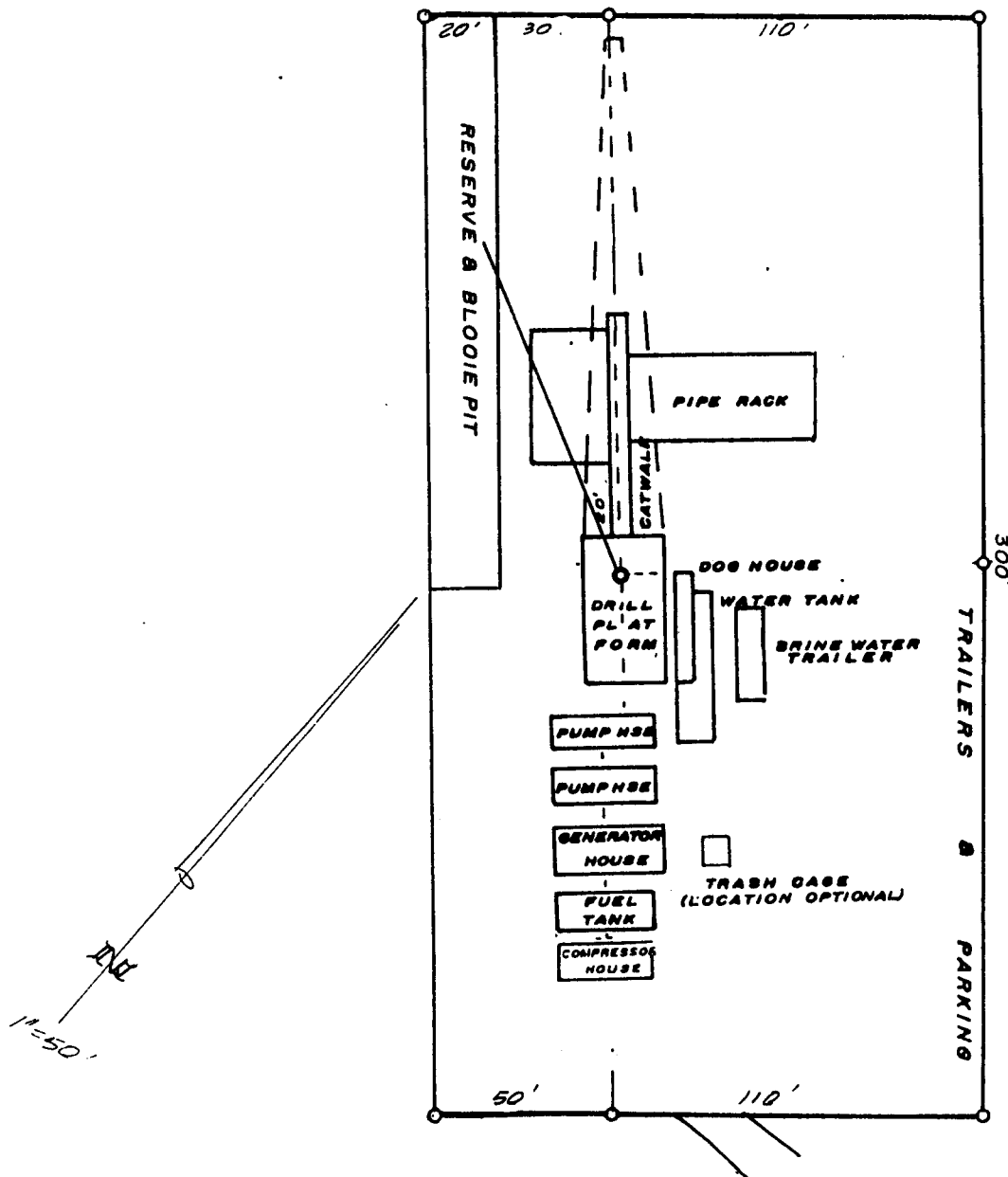
PLAT NO. 2 A
CROSS - SECTIONS



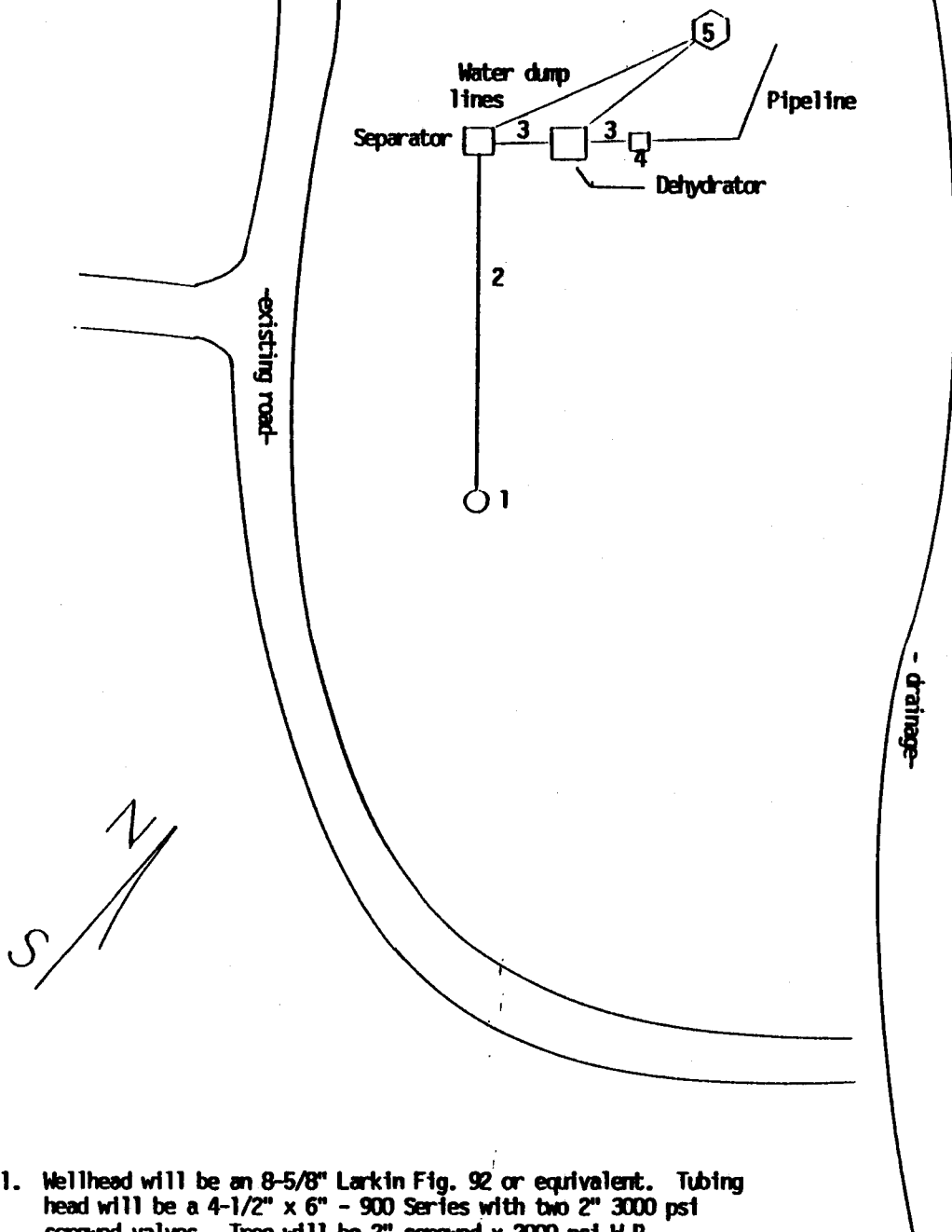
32 - 9 QUINOCO STATE

SURVEYED	9-18-88	L.D.B.	ENERGY SURVEYS & ENGINEERING CORP.
DRAWN	9-21-88	A.D.H.	
CHECKED			

PLAT NO. 3
RIG LAYOUT



PLAT NO. 4
FACILITIES PLAT



1. Wellhead will be an 8-5/8" Larkin Fig. 92 or equivalent. Tubing head will be a 4-1/2" x 6" - 900 Series with two 2" 3000 psi screwed valves. Tree will be 2" screwed x 2000 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .190 wall, welded, wrapped, and buried approximately 5 feet deep.
3. Lines between separator and dehydrator and between dehydrator and meter run will be 2-3/8" OD, .190" wall, welded, coated, wrapped, and buried, and will be approximately 25 feet in length.
4. Meter run will be American 2" run, or equivalent, 1000 psi static rating, 100" of water differential rating.
5. Pit will be 10' x 10', enclosed by dikes and fenced.

DRILLING LOCATION ASSESSMENT

State of Utah
Division of Oil, Gas and Mining

OPERATOR: LONE MOUNTAIN PRODUCTION WELL NAME: 32-9 State
SECTION: 32 TWP: 16S RNG: 26E LOC: 2185 FSL 855 FEL
QTR/QTR NE/SE COUNTY: Grand FIELD: San Arroyo
SURFACE OWNER: Evelyn Horn
SPACING: 500 F SECTION LINE 500 F QTR/QTR LINE 2000 F ANOTHER WELL
INSPECTOR: Brad Hill DATE AND TIME: 10/14/88 9:00 A.M.

PARTICIPANTS: Larry Becker and Alex Hines-Lone Mountain Production

REGIONAL SETTING/TOPOGRAPHY: Well location is on the edge of the Book Cliffs and the Mancos Lowland physiographic provinces. The location is in a flat, low lying area between N-S trending, low hills on the E and W. The Book Cliffs are directly N about 1 mile. A dry wash lies on the east edge of the location.

LAND USE:

CURRENT SURFACE USE: Wildlife grazing and occasional domestic grazing.

PROPOSED SURFACE DISTURBANCE: A rectangular shaped pad 300'X 160' including the reserve pit. The location lies on an existing road and no road construction is needed.

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Juniper, Sagebrush and various grasses/Deer, Antelope, Rabbits, Birds and insects.

ENVIRONMENTAL PARAMETERS

SURFACE GEOLOGY

SOIL TYPE AND CHARACTERISTICS: Silty clay soil with some sand a few cobbles. The topsoil is derived from the Mancos Shale.

SURFACE FORMATION & CHARACTERISTICS: Mancos Shale covered by Mancos derived alluvium. The Mancos is a grey to dark grey clay-mudstone.

EROSION/SEDIMENTATION/STABILITY: No present erosion or sedimentation is taking place on the site. The site is in a stable area unless the adjacent wash were to flood during extreme runoff.

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: Dakota Silt-3496', Dakota Sand-3584',
Morrison- 3732'

ABNORMAL PRESSURES-HIGH AND LOW: None expected.

CULTURAL RESOURCES/ARCHAEOLOGY: Survey to be done by the Grand
River Institute

WATER RESOURCES: Dry wash to the east is subject to storm and
spring runoff.

CONSTRUCTION MATERIALS: All construction will be done with on site
materials. Topsoil will be stockpiled on the north edge of
the location.

SITE RECLAMATION: If the well is P&A the site will be recontoured
and reseeded as per landowner specifications.

RESERVE PIT

CHARACTERISTICS: A 150'X 20'X 10' reserve pit will be located on
the west side of the pad.

LINING: None needed.

MUD PROGRAM: Surface hole will be drilled with air. If water is
encountered, will mud up with chemical/gel type mud. The
remainder of the hole will be air drilled.

DRILLING WATER SUPPLY: Any water needed for drilling will be
trucked in from West Salt Creek, Colo.

STIPULATIONS FOR APD APPROVAL

None.

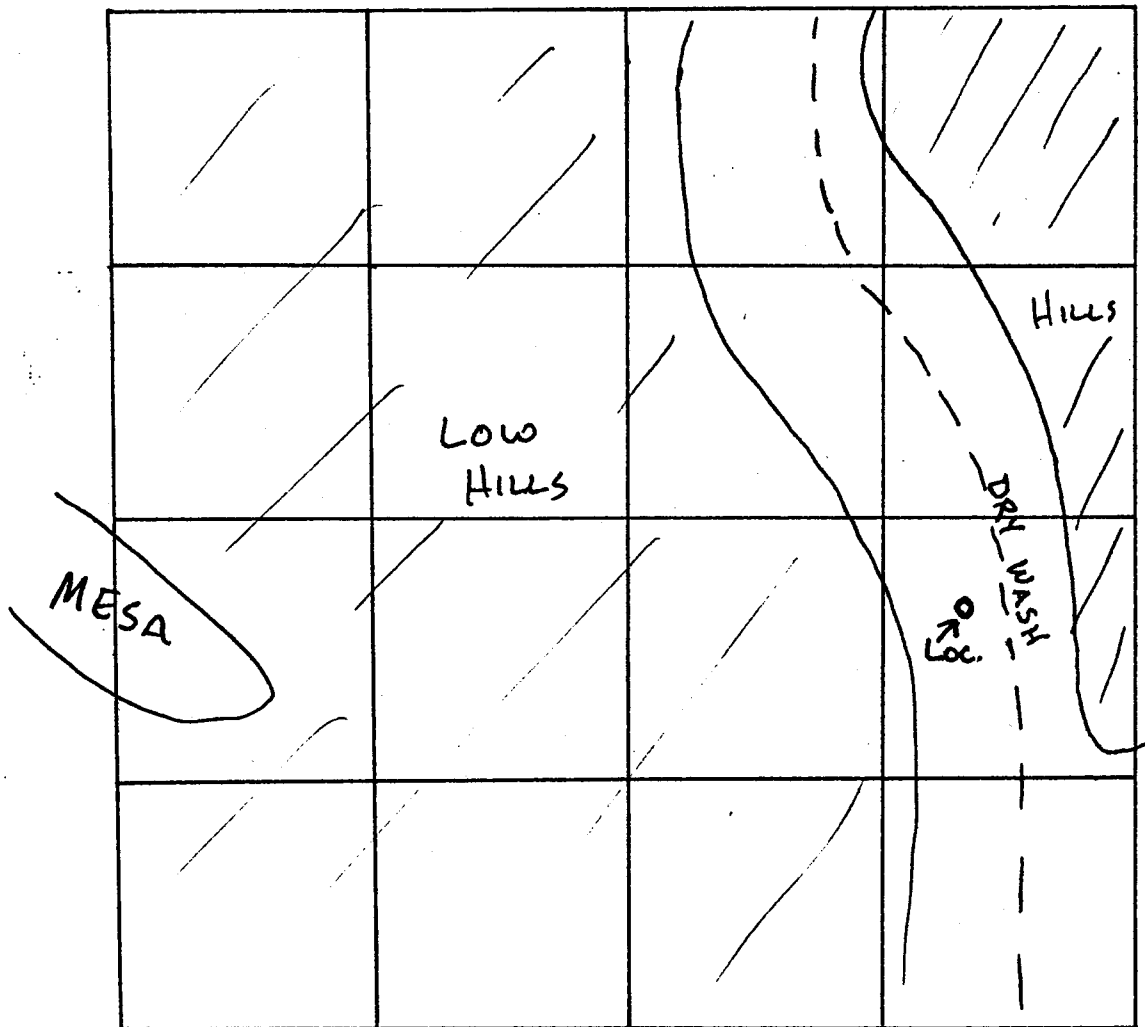
ATTACHMENTS

Site sketch

Section sketch

Photographs of the site will be placed on file.

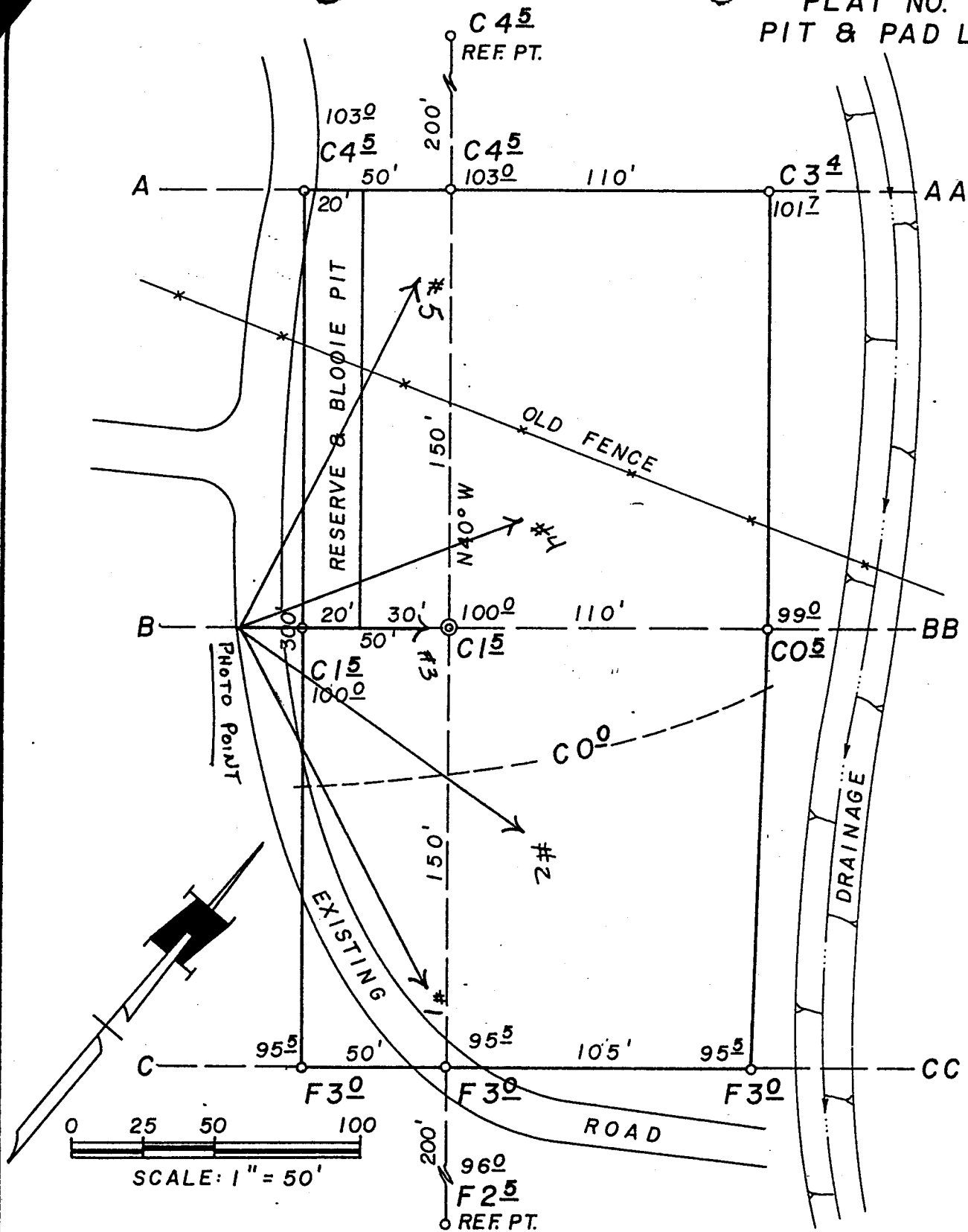
SECTION 32 TOWNSHIP 16S RANGE 26E COUNTY GRAND STATE UTAH
SCALE = 1" = 1000'



LONE MOUNTAIN PRODUCTION
32-9 STATE

R. Hill 10/14/84

PLAT NO. 2
PIT & PAD LAYOUT



ESTIMATED DIRT QUANTITIES

ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	2700	1000	1800	
PIT	900			
				800

ENERGY SURVEYS & ENGINEERING
GRAND JUNCTION, COLORADO 303-245-7221

32-9 QUINOCO STATE
LONE MOUNTAIN PRODUCTION CO.

SITE IS AS DEPICTED D.L. 00 11/11/08

OPERATOR Lone Mtn. Prod. Co. DATE 9-30-88

WELL NAME Quinoco State 32-9

SEC NESE 32 T 11S R 26E COUNTY Grand

43-019-31282
API NUMBER

State
TYPE OF LEASE

CHECK OFF:

☒ PLAT

OK Per St. Lands (Ed Bonner)

☒ BOND

☒ NEAREST WELL

☒ LEASE

☒ FIELD

☒ POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause No. 13-6
No water permit necessary per Water Rights (see 13 point plan)
Need presite (10-5-88 to B.Hill) received 10-17-88

APPROVAL LETTER:

SPACING: ☐ R615-2-3 _____ UNIT _____ ☐ R615-3-2

☐ 13-6 8-28-86 ☐ R615-3-3
CAUSE NO. & DATE

STIPULATIONS:

1- Cultural Resource Clearance



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 26, 1988

Lone Mountain Production Company
P. O. Box 3394
408 Petroleum Building
Billings, Montana 59103

Gentlemen:

Re: Quinoco State 32-9 - NE SE Sec. 32, T. 16S, R. 26E - Grand County, Utah
2185' FSL, 855' FEL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 dated August 28, 1986 subject to the following stipulations:

1. In accordance with U.C.A. 63-18-29 as amended, it is unlawful to appropriate, injure, or destroy any cultural resource site or specimen situated on lands owned or controlled by the state or its subdivisions, or which have been designated as landmarks pursuant to the statute. To avoid disturbance of sites or specimens, it is recommended that the operator take such action as necessary including performing a cultural resource survey and filing such survey with the Division of State History. A list of acceptable archeological contractors is available from the Division of State History, telephone (801)533-4563.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.

Page 2
Lone Mountain Production Company
Quinoco State 32-9
October 26, 1988

4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31282.

Sincerely,



R. M. Pirth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

WATER PERMIT OK

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API NO. 43-019-31282

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION CO

WELL NAME: QUINOCO STATE 32-9

SECTION NESE 32 TOWNSHIP 16S RANGE 26E COUNTY GRAND

DRILLING CONTRACTOR ZECO

RIG # 3

SPUDDED: DATE 11/9/88

TIME 3:00 p.m.

HOW ROTARY

DRILLING WILL COMMENCE _____

REPORTED BY JIM ROUTSON

TELEPHONE # 406-245-5077

DATE 11/10/88 SIGNED TAS

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

RECEIVED
NOV 14 1988

November 10, 1988

State of Utah
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

DIVISION OF
OIL, GAS & MINING

Re: Lone Mountain State No. 32-9
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 32: T16S-R26E
Grand County, Utah
Lease ML-31281

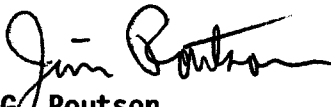
Gentlemen:

Enclosed in triplicate is the REPORT OF SPUD Sundry Notice for the captioned well. As reported, the well was spudded at 3:00 PM on November 9, 1988. Also enclosed is the Entity Action Form, DOGM 6.

If you have any questions, please give me a call.

Yours very truly,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson,
Petroleum Engineer

JGR:lw

enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE
 (Other instructions on
 reverse side)

SUNDRY NOTICES AND REPORTS

(Do not use this form for proposals to drill or to deepen a well under a different permit.
 Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED
NOV 14 1988

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NO. ML-31281	
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2185' FSL, 855' FEL, Section 32		8. FARM OR LEASE NAME State	
		9. WELL NO. State No. 32-9	
		10. FIELD AND FOOT, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA NE SE Sec. 32: T16S-R26E	
14. PERMIT NO. 43-019-31282	15. ELEVATIONS (Show whether SP, RT, GR, etc.) 5395' GL; 5406' KB	12. COUNTY OR PARISH Grand	13. STATE Utah

16. **Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data**

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	REPORT OF SPUD <input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spudded 8-3/4" hole at 3:00 PM on November 9, 1988; Veco Rig No. 3. Ran 7", 23#, J-55 surface casing to 305'. Cemented with 135 sacks Class H, 3% CaCl₂, 1/4# celloflake/sack. Good cement to surface.

Verbal notification given to Tammy Searing at the State of Utah Division of Oil, Gas & Mining on November 10, 1988.

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson

TITLE

**James G. Routson,
 Petroleum Engineer**

DATE **November 10, 1988**

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ENTITY ACTION FORM - DOGM FORM 6

RECEIVED
NOV 14 1988

OPERATOR Lone Mountain Production Company
ADDRESS 408 Petroleum Bldg., P.O. Box 3394
Billings, MT 59103

OPERATOR CODE N-7210
PHONE NO. 406, 245-5077

**DIVISION OF
OIL, GAS & MINING**

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	10946	43-019-31282	Quinoco State 32-9	NE SE	32	16S	26E	Grand	11/9/88	11/9/88
COMMENTS: State-Lease Proposed Zone-Morrison Field-San Arroyo (One other well in sec. 32 prod. from DKTA formation. Assign new entity 10946 on) Not in a Unit 11-16-88. LCR											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

ACTION CODES: A - ESTABLISH NEW ENTITY FOR NEW WELL
 B - ADD NEW WELL TO EXISTING ENTITY
 C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY
 D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY
 E - OTHER (EXPLAIN IN COMMENTS SECTION)
 (SEE INSTRUCTIONS)

James G. Routson
 SIGNATURE James G. Routson
 Pet. Engineer 11-9-88
 TITLE DATE

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

November 15, 1988

State of Utah
Dept. of Natural Resources
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RECEIVED
NOV 17 1988

Re: State No. 32-9
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 32: T16S-R26E
Grand County, Utah

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Enclosed in triplicate is a Sundry Notice Status Report and
Report of Water Encountered During Drilling for the above-
captioned well.

Yours very truly,

Lone Mountain Production Company



James G. Routson

JGR:lw

enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE
(On instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to recomplete wells. Use "APPLICATION FOR PERMIT TO DRILL OR RECOMPLETE WELLS".)

NOV 17 1988

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-31281
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P. O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 2185' FSL, 855' FEL, Section 32		8. FARM OR LEASE NAME State
14. PERMIT NO. 43-019-31282		9. WELL NO. State No. 32-9
15. ELEVATIONS (Show whether OF, RT, GR, etc.) 5395' GL, 5406' KB		10. FIELD AND FOOT, OR WILDCAT San Arroyo
		11. SEC., T., R., M., OR BLM. AND SUBST OR AREA NE 1/4 Sec. 32: T16S-R26E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	STATUS REPORT <input checked="" type="checkbox"/>

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled 6-1/4" hole to 4000'. Set 4 1/2", 10.5#, J-55 casing at 3980' KB.
Plug back at 3940'. Cemented with 175 sacks 10-0 cement, 1000 gal. of mud flush.

LOG TOPS:	MANCOS	-	surface
	DAKOTA SILT	-	3517' (+1889)
	DAKOTA SAND	-	3628' (+1778)
	MORRISON	-	3760' (+1646)

Rig released November 14, 1988 at 4:00 P. M.

18. I hereby certify that the foregoing is true and correct

SIGNED James G. Routson

TITLE Petroleum Engineer

DATE November 15, 1988

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____ DATE _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

RECEIVED
NOV 17 1988

DIVISION OF
OIL, GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number State No. 32-9 13-019-31080
Operator Lone Mountain Production Company Address P. O. Box 3394, Billings, MT 59103
Contractor Veco Drilling Company Address P. O. Box 1705, Grand Junction, CO 81502
Location NE 1/4 SE 1/4 Sec. 32 T. 16S R. 26E County Grand

Water Sands

	<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
	From	To	Flow Rate or Head	Fresh or Salty
1.	<u>NO WATER SANDS ENCOUNTERED</u>			
2.				
3.				
4.				
5.				

(Continue on reverse side if necessary)

<u>Formation Tops</u>		
Mancos	-	surface
Dakota Silt	-	3517 (+1889)
Dakota Sand	-	3628 (+1778)
Morrison	-	3760 (+1646)

Remarks

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

December 2, 1988

DIVISION OF OIL, GAS AND MINING
3 Triad Center, Suite 350
Salt Lake City, UT 84180

RECEIVED
DEC 05 1988

DIVISION OF
OIL, GAS & MINING

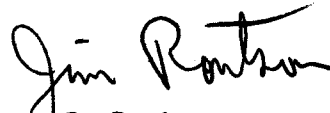
Re: STATE NO. 32-9
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 32: T16S-R26E
Grand County, Utah
State of Utah Lease ML-27564

Gentlemen:

Please find enclosed, in duplicate, the Well Completion Report on the captioned well. Please note the lease number we are now using - ML-27564. We previously were using ML-31281 in error and regret any inconvenience this may have caused. Thank you.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY



James G. Routson

JGR/lw

enclosures

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other _____

2. TYPE OF COMPLETION:

NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REGR. ☐ Other _____

3. NAME OF OPERATOR

LONE MOUNTAIN PRODUCTION COMPANY

4. ADDRESS OF OPERATOR

P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59102

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 2185' FSL, 855' FEL

At top prod. interval reported below same

At total depth

same

14. PERMIT NO.

43-019-31282

DATE ISSUED

10-26-88

6. LEASE DESIGNATION AND SERIAL NO.

ML-27564

7. IF INDIAN, ALLOTTEE OR TRIBE NAME

8. UNIT AGREEMENT NAME

9. FARM OR LEASE NAME

State

10. WELL NO.

State No. 32-9

11. FIELD AND POOL, OR WILDCAT

San Arroyo

12. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

NE 1/4 SE 1/4 Sec. 32: T16S-R26E

13. COUNTY OR PARISH

Grand

14. STATE

Utah

15. DATE SPUDDED 11-9-88 16. DATE T.O. REACHED 11-13-88 17. DATE COMPL. (Ready to prod.) 12-2-88 18. ELEVATIONS (DP, RMB, RT, OR, ETC.)* 5395' GL, 5406' KB 19. ELEV. CASINGHEAD 5397'

20. TOTAL DEPTH, MD & TVD 4000' 21. PLUG, BACK T.D., MD & TVD 3940' 22. IF MULTIPLE COMPL., HOW MANY* -- 23. INTERVALS DRILLED BY -- 24. ROTARY TOOLS 0-TD 25. CABLE TOOLS --

26. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

Dakota Sandstone - 3630-3664', 3682-3714'
Morrison - 3819-3834'

27. TYPE ELECTRIC AND OTHER LOGS RUN

SP-DIL, GR-DC-CNL a c b l

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	23# J-55	305'	8-3/4"	135 sacks Class G to surf.	(none)
4 1/2"	10.5# J-55	3980'	6-1/4"	175 sacks Thixotropic (top at 1980)	(none)
				MURCROM	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2-3/8"	3828'	(none)

30. PERFORATION RECORD (Interval, size and number)

3642', 3650', 3656', 3690', 3699', 3701',
3709', 3828': 8 holes total, .31" diameter

31. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3642-3828'	500 gal. 15% HCl acid.
3642-3828'	Foam fracture w/462 bbls. 5% HCl, 1.53 mmscf nitrogen, 20,000# 100 mesh sand, 80,000# 16-30 mesh sand.

32. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
12-1-88		Flowing				Shut in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12-2-88	21	1/2"	→	0	1025.5	0	--
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
195 psig	285 psig	→		1172 MCFD	--	--	

33. DISPOSITION OF GAS (Hold, used for fuel, vented, etc.)

Vented

TEST WITNESSED BY

Dave Terrell

34. LIST OF ATTACHMENTS

None

35. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

James G. Routson

TITLE

Petroleum Engineer

DATE

12-2-88

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be filed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Seals Cemented". Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

27. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTS, COLUMNS USED, TEST TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES			35. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	DEPTH	TEST VERT. DEPTH
Dakota Sand	3630	3664	Tight gas	Dakota Silt	3517	(+1889)
Dakota Sand	3682	3714	Gas	Dakota Sand	3628	(+1778)
Morrison	3819	3834	Tight gas	Morrison	3760	(+1646)

OIL AND GAS

R/F	JRB	DTC
GLH		
SLS		

1-TAS

2. MICROFILM

3. FILE

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

January 10, 1989

RECEIVED
JAN 12 1989

DIVISION OF
OIL, GAS & MINING

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

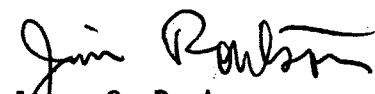
Re: State No. 32-9
NE¹SE¹ Section 32 - T16S-R26E
Grand County, Utah

Gentlemen:

Enclosed in triplicate is a Notice of First Production for the
above referenced well.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson

JGR:hg
Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS

(Do not use this form for proposals to drill or to develop a well. Plug back to a different operator.
Use "APPLICATION FOR PERMIT" for such proposals.)RECEIVED
JAN 12 1989

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-31281	
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 2185' FSL, 855' FEL, Section 32		8. FARM OR LEASE NAME State	
14. PERMIT NO. 43-019-31282		9. WELL NO. State No. 32-9	
15. ELEVATIONS (Show whether OF, ST, OR, etc.) 5395' GL, 5406' KB		10. FIELD AND FOOT, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA NE 1/4 Sec. 32-T16S-R26E	
		12. COUNTY OR PARISH Grand	
		13. STATE Utah	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Report of First Production</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

First Delivered into Northwest Pipeline at 4:00 P. M. January 7, 1989.

18. I hereby certify that the foregoing is true and correct

SIGNED

James C. Routson
James C. Routson

TITLE

Petroleum Engineer

DATE

January 10, 1989

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY: